

Appendix E: Privatization Reports Outlines

Project Plan Outline

Introduction

This section of the Project Plan will describe the privatization project, list out the utility systems under study, and state the goals and objectives of the project.

Privatization Project Management Team

This section of the Project Plan will establish the installation Privatization Project Management Team which should include, but is not limited to, the following:

- Installation Commander
- Installation Point of Contact (POC)
- Civil Engineering
- Contracting
- Real estate
- Cost and finance
- Legal
- Environmental
- Public affairs
- Contractor Support POC

Project Communication Plan

This section of the Project Plan establishes lines of communication and points of contact from the various organizations involved with privatization. The following are organizations where lines of communication and POCs should be established:

- Headquarters, Air Force Civil Engineer Support Agency (HQ AFCESA) Utilities Privatization Program Management
- AFCESA Contract Support
- Headquarters, United States Air Force (HQ USAF) Utilities Privatization Program Management
- Major Command (MAJCOM)
- Base Point of Contact (POC)

- Contractor Support POC

Project Outline

This section of the Proposed Plan will describe the organization of the project. This section should include a table of the outline corresponding to the description of work/project scope as follows:

Project Task	Subtask	Description
Task 01 Revalidation Screening of Programmed Utility Systems		
	01.01	Readiness and Unique Security Revalidation
Task 02 Phase I, Project Plan and Feasibility Analysis		
	02.01	Future Utility Requirements Assessment
	02.02	Operational Impact and Risk Management Analysis
	02.03	State and Local Regulatory Reviews
	02.04	Industry Market Analysis
	Etc.	Etc.

Description of Work (Project Scope)

This section of the Project Plan will describe in detail each element of the project outline. Each task should be described in terms of the objective of the task, and each subtask should be described in terms of the work to be performed (scope) and responsibility, assumptions, and documentation. The following is the suggested format:

Task 01, "Title"

The objectives of this task are to

Subtask 01.01, "Title"

Scope and Responsibilities: The scope of this subtask includes all activities required to.....

Assumptions:

- Assumption 1
- Assumption 2

Documentation:

1. Documentation 1
2. Documentation 2

Subtask 01.02, "Title"

Etc., Etc.

Project Schedule

This section of the Project Plan should establish a project-specific Gantt Chart modeled after the generic chart provided as Appendix C.

Documentation Summary

This section of the Project Plan should provide a table summarizing all documentation, dates for deliverables, number of copies, and recipients for approval.

Feasibility Analysis Report Outline

The following is the basic outline of the Feasibility Analysis Report. Different projects (installation or utility system) will require a different focus on the various portions of the report. The final report outline may require some tailoring to the specific utility's situation.

Executive Summary

Introduction

This should be the same as that presented for the Project Plan.

Feasibility Analysis Overview

This section of the report should state the objectives of the feasibility analysis and briefly discuss the processes and analysis performed to meet the objectives.

Utility Requirements Assessment

This topic should present results of determining if the system meets the requirements for providing the Air Force with the quantity and quality of service required. The utility requirements will ultimately result in a factor for determining the status quo cash flow projections for the preliminary economic evaluation.

Operational Impact and Risk Management Analysis

This topic should present the results of the Operational Impact and Risk Management Analysis. All risks should be clearly stated with recommendations on mitigating the effects of privatization.

State and Local Regulations

This topic should present the findings of the regulatory reviews. Any franchised or jurisdictional regulations impacting the project should be comprehensively addressed.

Industry Market Analysis

This topic should present the process and results of the industry market analysis. It should document all discussions and interviews conducted with industry utility providers.

Preliminary Economic Analysis

This topic should present the results of the preliminary economic analysis performed.

Status Quo Cash Flows. This subtopic should clearly present the development of the status quo cash flow. Included in this subtopic should be all factors used to develop the renewal and replacement costs and adjusted operating costs for the status quo alternative.

Privatization Cash Flow. This subtopic should clearly present the development of the assumed privatization alternative. Included in this subtopic should be all factors used to develop the estimated purchase price and estimated service rate.

Life-Cycle Cost Analysis. This subtopic should present the 25-year net present value (NPV) calculations for both the status quo and assumed privatization alternatives.

Conclusions

This section of the report should summarize the results of all analyses performed including the preliminary economic analysis. It should clearly state whether the project can be expected to be beneficial to the U.S. Government.

Recommendation

This section of the report will provide a recommended course of action for the MAJCOM and Air Staff. The course of action should facilitate the go/no-go decision to be forwarded by the MAJCOM and Air Staff to the Secretary of the Air Force (SAF). If the decision is to not proceed into Phase II, then the recommendation should clearly indicate the key factors that cause the economics to be unfavorable.

Appendices

The appendices to the report should contain all supporting data that was used or disregarded during the feasibility analysis.

Comprehensive Analysis Report Outline

The following is the basic outline of the Comprehensive Analysis Report. Different projects (installation or utility system) will require a different focus on the various portions of the plan. The final report outline may require some tailoring to the specific situation. The Comprehensive Analysis Report will be submitted as a draft and then updated during Phase III and resubmitted as a final Comprehensive Analysis Report. The contents of each submittal are presented below.

Draft Comprehensive Report Submitted at the End of Phase II

Executive Summary

Comprehensive Analysis Overview

This section of the report should provide a brief description of each analysis and the impacts of various results that could drive the pathway or render decisions.

Draft Real Estate Instruments

This topic should include legal descriptions and terms and conditions needed to prepare easements or leasing instruments.

Environmental Impact Analysis

This topic should present the findings and results of the Environmental Impact Analysis Process (EIAP).

Environmental Baseline Survey

This topic should present the findings of the Environmental Baseline Survey (EBS) process if one was determined for the action.

Draft Transition Plans

This topic should present the requirements for preparing draft transition plans. The requirements should include an annotated outline presenting the requirements.

Employee Transition Plan. The requirements for the Employee Transfer Plan should be provided to the installation for preparation.

Operational Transition Plan. The requirements for the Operational Transition Plan should be reflected in the Request for Proposal (RFP) for preparation by the offeror.

Post-Award Management Plan. The requirements for the Post-Award Management Plan should be passed to the Contracting Officer for coordination with the successful offeror.

Comprehensive Analysis Summary

This section of the report should summarize all the activities conducted during the comprehensive analysis and provide the reviewer with a clear understanding of all issues to be considered when privatizing the utility.

Final Comprehensive Analysis Report Submitted at the End of Phase III

Executive Summary

Comprehensive Analysis Overview

This section of the report should briefly describe each analysis and the impacts of various results that could drive the pathway or render decisions.

Real Estate Instruments

This topic should include an update to the real estate instruments, based on the proposals received and evaluated.

Environmental Impact Analysis

This should be the same as presented in the draft Comprehensive Analysis Report.

Environmental Baseline Survey

This should be the same as presented in the draft Comprehensive Analysis Report.

Transition Plans

This topic should include an update to the requirements for the transition plans based on the proposals received and evaluated. This section should include final transition plans that are required to be prepared by the Air Force and final requirements that will be contractually imposed on the successful offeror.

Certified Economic Analysis

This topic should clearly show all activities and calculations used to evaluate the economics of the selected offeror. The Draft Economic Analysis should be included in the Final Comprehensive Analysis Report pending certification. Once certified, Draft Economic Analysis should be replaced with the Final Certified Economic Analysis.

Comprehensive Analysis Summary

This section should summarize the steps of the comprehensive analysis.

Project Summary Report Outline

- **Executive Summary**
- **Overview of the Utility Systems**
 - Description of Existing Utility Systems
 - Description of Should Costs
- **Procurement History**
 - Summary of Process and Key Dates for RFI/RFP/Award
- **Life Cycle Cost Analysis**
 - Overview
 - Methodology
 - Assumptions
 - Government's Status Quo Life Cycle Cost Analysis
 - Contractor proposed Life Cycle Cost Analysis
 - Conclusion

Privatization Approval Package

When the project is to be submitted to HQ USAF/ILEXO for authority to award the contract, it should be formatted as outlined below. Note that the privatization approval package is composed of various Comprehensive Analysis Report elements. The entire Comprehensive Analysis Report with the supporting analyses will not be submitted but must be available as back up and as the departure point for follow-on analyses if the recommended course of action is not approved or is modified during the review.

The sponsoring installation and MAJCOM will prepare the project approval package. The project approval package will consist of the following: (note: If the project approval package is source selection sensitive, as declared by the contracting officer, then special handling may be required.)

- SSS (format to be provided by the AFCESA PM), and attachments.
 - Notification letters to the appropriate Congressional committees (format to be provided by the AFCESA PM),
 - A Summary Report (a brief, concise description of the overall proposed privatization effort)
 - Certified Economic Analysis (CEA). The length of the economic analysis will vary depending upon the number of systems conveyed and the terms of the contract. Graphs, charts and tables should be used to summarize and convey the pertinent aspects of the economic analysis.
- **Figure E-1. Congressional Notification Process**

